1. Call to Order and Roll Call
Chair Kevin Cheng called the meeting to order at 9:40 a.m.

Present: Kevin Cheng, Patricia Breslin, Linda Yeung, Risa Sandler, and Anthony Ababon

Howard Ash and Donald Hilla were excused.

2. Public Comment: Members of the public may address RFB on matters that are within the RFB’s jurisdiction and are not on today’s agenda

Public Comment: None

3. Discussion and possible action regarding the approval of the minutes from the meeting held on November 16 and December 14, 2012.
   - There was discussion regarding November 16 minutes request for information on reserves. Member Ababon cited an earlier request for information regarding the impact of the reserve payment on the not-to-exceed rate. Financial Planning Director Crispin Hollings noted that he would address that topic in today’s meeting.
   - Member Yeung noted an earlier request for data on siting and jobs creation discussed by Paul Fenn from Local Power. Interim CleanPowerSF Program Manager Cheryl Taylor noted that that information would be presented to the Commission on January 22nd. Mr. Hollings committed to sending a copy of the Local Power presentation to Rate Fairness Board members.

Patricia Breslin approved the minutes and Linda Yeung seconded.

4. Discussion and possible action relating to SFPUC proposed not-to-exceed rates for Clean Power SF
Deputy Chief Financial Officer Charles Perl reviewed the Commission Agenda for the meeting to be on January 22nd, 2013. He noted that both Local Power and SFPUC staff would be presenting to the Commission regarding CleanPowerSF. Mr. Perl also noted that the Commission would be looking for Rate Fairness Board input regarding the proposed not-to-exceed rates at the Commission meeting on February 12th.

Financial Planning Director Crispin Hollings presented slides that outlined CleanPowerSF not-to-exceed rates in the context of asking the Rate Fairness
Board to weigh in on these rates at the February 12th Commission meeting. In response to questions from the December 14th meeting of the Rate Fairness Board, Mr. Hollings presented a breakdown of the not-to-exceed E-1 residential rate of $0.1457/kWh. This breakdown included the base cost, cost for the renewables mix and reserve recovery and the adjustment to fund the 20% CARE discount.

Member Ababon raised a question regarding the different categories in the renewables mix. Mr. Hollings summarized that types 1 and 2 contribute to new green generation on the grid while type 3, which is less expensive than either type 1 or 2, funds existing generation.

Member Sandler asked about the impact of the timeline for the Reserve recovery and the size of the CARE program. Mr. Hollings responded that the current timeline for paying back the Reserves was the 4½ year span of the CPSF program. Were this timeline to be doubled to 9 years, the impact of the recovery could be reduced by half. Similarly, if assumptions regarding the size of the CARE were reduced by half, the associated rate adjustment of ½ cent could be also be reduced.

Chair Cheng asked about potential savings by increasing type-3 renewables in the renewables mix. Mr. Hollings responded that the amount of the premium associated with the renewables mix was a function of the mix of type 1, 2 or 3 renewables. By revising the renewables mix to maximize type-3 renewables, Mr. Hollings estimated that the renewables portion of the CPSF premium could be reduced from 3½ cents to approximately 1 cent.

Member Yeung asked about the assumptions that make up the CARE adjustment. Mr. Hollings responded that the not-to-exceed rates were developed assuming a 20 percent CARE discount in line with that from PG&E with a similar customer population breakdown between CARE and non-CARE customers. Mr. Perl noted that recommendations regarding CPSF CARE-customer population assumptions could be part of the formal feedback from the Rate Fairness Board.

Member Breslin expressed interest in seeing polling results that include commercial customers. Communications Manager Charles Sheehan responded that Commercial customers were not included in the polling because they are not being actively enrolled in Phase 1 of the program.

Member Breslin asked if City Attorney costs were included in the program cost. Mr. Hollings responded that they were included in the general administrative costs.

Member Yeung suggested that slides explaining the program include data clearly showing the bill impact for CleanPowerSF customers. Mr. Perl suggested this could be part of the Rate Fairness Board input to the commission. Mr. Hollings noted that the rate premium, in both dollars and as a percentage of total bill, was included in the Commission slide deck for their January 22nd meeting. Mr. Hollings also committed to sending that slide deck to members of the Rate Fairness Board.

Public Comment:
Jason Fried, LAFCo, stated that one opportunity to reduce the not-to-exceed rate would be to extend the reserve recovery period, and he encouraged the Rate Fairness Board to consider this option.

David McCoard, Sierra Club, stated that it was important to keep the opt-out rate as low as possible by reducing the rate premium. One opportunity to realize a lower rate, as noted by Local Power, would be to make use of Hetch Hetchy power.

Arthur Feinstein, Sierra Club, stated that the current not-to-exceed rate was a recipe for failure of the CPSF program and urged that staff find ways to reduce the rate premium.

John Rizzo, Sierra Club, stated that the CPSF program has taken 10 years to get to this point and that with 7% unemployment in San Francisco, it was important not to double the generation rate.

Rebecca Evans, SF resident, stated that the CPSF premium was too high and that the program should make use of excess Hetch Hetchy power.

Eric Brooks, SF Green Party and Our City, stated that he was concerned about moving forward too quickly and encouraged waiting until new polling information was available.

Jessica Dervin-Ackerman, Sierra Club, stated that the high premium would result in a high opt-out rate and that better pricing would come from using Hetch Hetchy power for the CPSF program.

Jim Lazarus, Chamber of Commerce, recommended against approval of the proposed not-to-exceed rates. He stated that the State law allowing for community choice aggregation was intended to drive rates down and that it was unfair to force customers to opt-out of higher rates. He added that the premium would be money that moves out of the San Francisco local economy.

5. Discussion on future meetings, dates, times, and topics pertaining to CleanPowerSF

Chair Cheng discussed various elements of the proposed program including the premium, elements that make up the total premium, market feasibility for the program, CPSF competition and his confidence in the staff analysis regarding the program costs as the program is currently designed.

Member Breslin stated that she was interested in seeing the data from the upcoming polling.

Public Comment:
Eric Brooks, SF Green Party & Our City, requested that polling include aspects of the Local Power model for CPSF.

Arthur Feinstein, Sierra Club, thanked the Board for their work and recognized the difficulties involved.
Jessica Dervin-Ackerman, Sierra Club, expressed concern about the current design of the program.

Chair Cheng noted that the meeting was missing two members and proposed an additional Rate Fairness Board meeting prior to the February 12th Commission meeting. Mr. Hollings stated that he would poll members regarding their availability for a meeting on either February 1 or February 8.

6. Chair's Report
There was no report.

7. Discussion and possible action relating to future agenda Items.
There were no items.

8. The meeting adjourned at 11:15 a.m.